

Purpose: This course introduces you to the opportunities, constraints, and pitfalls that firms and industries face in confronting environmental considerations. We will examine different “drivers” of green markets, with special emphases at the end of the course on the risks and rewards associated with global warming and, finally, the future of sustainability.

Grading: Grades are based on two exams (the latter is cumulative for the entire semester’s work) and a final project (1/3rd of the grade for each). *Make-up exams are not given* ² *exceptions are rarely granted.* Details will be given regarding the project later in the semester but, it suffices to say, that it will be 10-15 pages where you apply what you have learned in the class to a specific green market effort. While many of you may want to apply for a “W” as well, there are a limited number of spots and **no more** will be created. Number grades are translated to letter grades in a standardized manner (averages of 93 and up A, 90-92 A-, 87-89 B+, 83-88 B, 80-82 B-, and so forth).

II: Basic Concepts (Aug. 28th, Sept. 4th)

Delmas, Intro and Ch. 1.

David P. Baron, and Thomas P. Lyon. 2012. “Environmental Governance,” in *The Oxford Handbook of Business and the Natural Environment*.

Andrew W. Savitz. 2014. *The Triple Bottom Line*, 2nd edition. Ch. 2.

V. Kasturi Rangan, Lisa Chase, and Sohel Karim. 2015. “The Truth About CSR,” *Harvard Business Review* 93(1/2): 40-49.

Elaine Conway. 2018. “Sustainability, the Triple Bottom Line, and Corporate Social Responsibility,” in *Contemporary Issues in Accounting*.

David A. Anderson. 2019. *Environmental Economics and Natural Resource Management*, 5th edition. Ch. 3.

Sara Olsen, Clara Miller, & Coauthors. 2019. “A New Accounting System is Possible,” *Stanford Social Innovation Review* 17(4): 59-60.

Jeffrey D. Sachs and Lisa E. Sachs. 2021. Business Alignment for the “Decade of Action,” *Journal of International Business Policy* 4(1): 22

III
9th, 11th)

, **Shared Value**

the Nature of the Firm (Sept.

Lennox and Chatterji, Ch. 2.

IV: Social Drivers I Citizen and Non-Citizen Demand (Sep. 16th, 18th)

Lennox and Chatterji, Ch. 5.

Delmas, Chs. 2-7.

Timothy Simcoe and Michael Toffel. 2014. "Government Green Procurement Spillovers: Evidence from Municipal Building Policies in California," *Journal of Environmental Economics and Management* 68(3): 411-434.

Katherine White, David J. Hardisty, and Rishad Habib. 2019. "The Elusive Green Consumer," *Harvard Business Review*

V: Social Drivers II and III Environmental NGOs, Investors, and Access to Capital (Sept. 23rd, 25th, 30th, Oct. 2nd, Oct. 7th)

Lennox and Chatterji, Ch. 4.

John Elkington and Seb Beloe. 2010. "The Twenty-First Century NGO," in *Good Cop, Bad Cop*.

Robert G. Eccles and Svetlana Klimenko. 2019. "The Investor Revolution," *Harvard Business Review* 97(3): 106-116.

Amrou Awaysheh, et al. 2020. "On the Relation Between Corporate Social Responsibility and Financial Performance," *Strategic Management Journal* 41(6): 965-987.

Sophie Hatte and Pamina Koenig. 2020. "The Geography of NGO Activism against Multinational Corporations," *World Bank Economic Review* 34(1): 143-163.

Sarah Murray. 2020. "The Dawn of Responsible Finance," *Stanford Social Innovation Review* 18(3): 20-27.

George Serafeim. 2021. "ESG: Hyperboles and Reality," Harvard Business School Working Paper.

BusinessWire. 2022. Carl C. Icahn Files Definitive Proxy Statement and Issues Open Letter to Shareholders of McDonald's Corporation.

Andrew Winston. 2023. "ESG Is Under Attack. How Should Your Company Respond?" *Harvard Business Review Digital Article*.

Case 1:

Fossil Fuel Divestment. Harvard Business School Case 620093-PDF-ENG.

Case 2:

BlackRock's ESG Investment Dilemma: Managing Stakeholder Differences Case W83C14-PDF-ENG.

Optional (not required):

Giglio, Stefano Giglio, Bryan Kelly, and Johannes Stroebel. 2021. "Climate Finance," *Annual Review of Financial Economics* 13: 15-36.

George Serafeim and Aaron Yoon. 2022. "Which Corporate ESG News Does the Market React To?" *Financial Analysts Journal* 78(1): 59-78.

Morgan Stanley. 2023. *Navigating the Next Decade: 10 Demand Signals for the Next 10 Years of Sustainable Finance*.

VI: Political Drivers Regulation and Beyond (Oct. 16th, 21st)

James R. Kahn. 2005. *The Economic Approach to Environmental & Natural Resources*.
Ch. 3.

VII: Economic Drivers I. Voluntary Programs (Oct. 28th, Oct. 30th)

Delmas, Ch. 8.

Joaquin Canon-de-Francia and Concepcion Graces-Ayerbe. 2009. "ISO14001 Environmental Certification: A Sign Valued by the Market?" *Environmental and Resource Economics* 44(2): 245-262.

Madhu Khanna and Keith Brouhle. 2009.

VIII: Economic Drivers II. Supply Chain Management (Nov. 4th, 6th)

Andreas Wieland and Robert Handfield. 2013. "The Socially Responsible Supply Chain: An Imperative for Global Corporations," *Supply Chain Management Review* 17(5): 22-29.

Daniel J. Fiorino and Manjot Bhan. 2016. "Supply Chain Management as Private Sector Regulation: What does it Mean for Business Strategy and Public Policy?" *Business Strategy and the Environment* 25(5): 310-322.

Andrew Spicer and David Hyatt. 2017. "Walmart's Emergent Low-Cost Sustainable Product Strategy," *California Management Review* 59(2): 116-141.

Patrick Burnson. 2019. "Greener Supply Chains = Greater Profit," *Supply Chain Management Review* 23(2): 12-13.

Verónica H. Villena and Dennis A. Gioia. 2020. "A More Sustainable Supply Chain," *Harvard Business Review* 98(2): 84-93.

MIT Center for Transportation & Logistics. 2023. *State of Supply Chain Sustainability 2023*.

Case: "Greening Walmart: Progress and Controversy," Harvard Business Case 316042.

X: Greenwashing (Nov. 18th, 20th)

Delmas, Ch. 8.

Eun-Hee Kim and Thomas P. Lyon. 2015. "Greenwash vs. Brownwash: Exaggeration and Undue Modesty in Corporate Sustainability Disclosure," *Organization Science* 26(3): 705-723.

XI: The 800 lb. Gorilla: Climate Change (Nov. 25th, Dec. 2nd)

